

LNF & IHCIF Calculations Illustration **- Ho-Chunk in Bemidji area -**

Given Data

- 3,470 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 28% = % Expenditures on purchased services, 72% = % expenditures in-house
- 93.1% = Cost index for purchasing health care in this geographic area
- 117.9% = Size cost index for in-house costs due to small or large size
- 105.9% = Bemidji area cost index for health status above or below average

Cost Adjustment Calculations

- \$779 per person for purchased services = $28\% * 93.1\% * \$2,980$
- \$2,527 per person for in-house services = $72\% * 117.9\% * \$2,980$
- \$3,305 per person total = \$779 (purchase) + \$2,527 (in-house)
- **\$3,501 per person total** adjusted for health status = $\$3,305 * 105.9\%$
- **\$2,756 per person net cost** = $\$3,501 - \745 Other resources (M&M&PI)

Existing Expenditures (for 3,470 users excluding wrap-around and collections)

- \$1,004 per person = local IHS allowance (excludes \$ for wrap-around)
- \$94 per person = expenditures elsewhere in Bemidji area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$1,152 per person for OU users** = $\$1,004 + \$94 + \$54$

LNF Calculation

- **32.9% Gross LNF** = $\$1,152$ (expenditures) / $\$3,501$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **41.8% Net LNF** = $\$1,152 / \$2,756$ net cost ($\$3,501 - \745 other)

IHCIF Allocation

- \$1,740,411 = \$ to raise LNF% from 41.8% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$60,706 Allocation** = $\$1,740,411$ needed for 60% * 3.488% IHCIF fraction

Ho-Chunk Unmet Needs

- **\$9,563,946 Net Total Need** = 3,470 users * \$2,756 net cost
- **\$5,565,990 Net Unmet Need** = $(100\% - 41.8\% \text{ LNF}) * 3,470 \text{ users} * \$2,756 \text{ net cost}$